

OFFICE OF CONSUMER ADVOCATE

SUPPLIMENTAL DIRECT TESTIMONY

OF

FASIL KEBEDE

**IN RE: LIBERTY UTILITIES (MIDSTATES
NATURAL GAS) CORP. d/b/a LIBERTY UTILITIES**

DOCKET NO. RPU-2016-0003

November 18, 2016

1 **Q: Please state your name and business address.**

2 A: Fasil Kebede, 1375 East Court Avenue, Des Moines, Iowa 50319.

3 **Q: Are you the same Fasil Kebede that filed direct testimony in this case on**
4 **November 7, 2016?**

5 A: Yes.

6 **Q: What is the purpose of your supplemental testimony?**

7 A: On November 10, 2016, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a
8 Liberty Utilities (Liberty) filed a response to the second Board order requesting
9 additional information. The Boards request specifies that Liberty should
10 calculate weather normalized sales based on test year (calendar 2015) actual
11 sales and calendar year heating degree days (HDDs). The information filed by
12 Liberty necessitates a small change in my recommended weather normalization
13 adjustment.

14 **Q: Please describe the change.**

15 A: On pages 7 and 8 of my testimony, I discussed the errors incorporated into the
16 \$41,707 weather normalization adjustment proposed by Liberty witness
17 Ms. Schwartz. I also discussed and recommended a corrected weather
18 normalization adjustment of \$16,099. The information filed by Liberty
19 necessitates a small change in the calculation of my weather normalization
20 adjustment from \$16,099 to \$20,037.

21 **Q: Would you explain what gave rise to your original adjustment?**

1 A: Yes. In calculating my original adjustment I used an estimate of the billing
2 degree days for the month of May, 2015. The estimate, as shown in my work
3 paper was 218.5. The actual billing degree days for May was only 196.
4 Liberty's filing reflects the May updated actual billing degree days of 196, and it
5 is the correct billing degree days to use. I recalculated the weather
6 normalization adjustment using the correct actual billing degree days of 196 for
7 May. The result changes my original proposed weather normalization
8 adjustment of \$16,099 to \$20,037. In support of this change I have filed a
9 revised confidential Workpaper Schedule K.

10 **Q: Does this number change affect any of your direct testimony?**

11 A: Yes. The only changes that are related to the change in the weather
12 normalization adjustment are in the amount of increase in rates to Liberty's
13 Iowa jurisdictional ratepayers and the adjusted net operating revenue. Both are
14 reflected on page 3. The rate increase shown on page 3, line 13, changes from
15 \$663,645 to \$659,707. The adjusted net operating revenue shown on page 3,
16 line 19, changes from \$2,178,369 to \$2,182,307.

17 **Q: Do you have any other concerns about the information filed by Liberty on**
18 **November 10?**

19 A: Yes. My recommended weather normalization adjustment is based on Liberty's
20 actual sales, base load therms, and HDDs applicable for each month of the 2015
21 test year. These numbers were taken directly out of the Company's PGA filings
22 (PGA-2015-0032 and PGA-2016-0031). For example, I used the base load

1 therms for January through May 2015 that were used in PGA-2015-0032. For
2 June through December 2015, I used base load therms from PGA-2016-0031.
3 Liberty's adjustment, on the other hand, uses a different level of base load
4 therms for January through May 2015. As I have mentioned above the base
5 load therms I used for January through May of 2015 are from PGA-2015-0032.
6 In the recalculation of the weather normalization filed by Liberty on
7 November 10, Liberty used base load usage per customer from a different PGA
8 year (PGA-2016-0031) and applied it to January through May of 2015. The
9 average base load usage from PGA-2016-0031 is applicable only to the months
10 beginning in June 2015 not January through May of 2015.

11 **Q: Does this conclude your testimony at this time?**

12 A: Yes, it does.

OCA Exhibit Kebede Supplemental Direct
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STATE OF IOWA)
) **SS: AFFIDAVIT OF FASIL KEBEDE**
COUNTY OF POLK)

I, Fasil Kebede, being first duly sworn on oath, depose and state that I am the same Fasil Kebede identified in the foregoing Supplemental Direct Testimony; that I have caused the foregoing Supplemental Direct Testimony to be prepared and am familiar with the contents thereof, and that the foregoing Supplemental Direct Testimony as identified therein is true and correct to the best of my knowledge, information and belief as of the date of this Affidavit.

/s/ Fasil Kebede
Fasil Kebede

Subscribed and sworn to before me, A Notary Public, in and for said County and State, this 18th day of November, 2016.

/s/ Craig F. Graziano
Notary Public

My Commission Expires: June 14, 2017